

Assembly Bill No. 563

CHAPTER 361

An act to add Section 6010.40 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 7, 1999. Filed
with Secretary of State September 7, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AB 563, Honda. Sales and use taxes: exemptions: animal shelter or nonprofit animal welfare organization: transfer of animal.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would enact the Pet Adoption Sales and Use Tax Relief Act of 1999, which would exclude from the terms "sale" and "purchase," and thereby exempt from state and local sales and use taxes, any animal when transferred by a city, county, city and county, or other local government animal shelter or nonprofit animal welfare organization, as specified, to an individual for use as a pet.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known as the Pet Adoption Sales and Use Tax Relief Act of 1999.

SEC. 2. Section 6010.40 is added to the Revenue and Taxation Code, to read:

6010.40. "Sale" and "purchase," for the purpose of this part, do not include the transfer by a city, city and county, county, or other local government animal shelter or a nonprofit animal welfare

organization of any animal to an individual for use as a pet, or any charges made by the government shelter or nonprofit organization for services in connection with the transfer of that animal, including, but not limited to, the spaying or neutering or future spaying or neutering of the animal, or any vaccination, future vaccination, or similar service. For purposes of this section, “nonprofit animal welfare organization” means any organization formed and operated for the primary purpose of prevention of abuse, neglect, or exploitation of animals and that qualifies for the exemption from taxation pursuant to Section 23701d.

SEC. 3. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any sales and use tax revenues lost by it under this act.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall become operative on the first day of the first calendar quarter commencing more than 90 days after the effective date of this act.

